

## Federal Maritime Commission

## § 506.4

would be in the best interest of the United States as determined by the facts and circumstances of the particular case, and that such offset would not otherwise be contrary to law.

### § 505.8 Jeopardy procedure.

The Commission may effect an administrative offset against a payment to be made to the debtor prior to the completion of the procedures required by §§ 505.4 and 505.5 of this part if failure to take the offset would substantially jeopardize the Commission's ability to collect the debt, and the time before the payment is to be made does not reasonably permit the completion of those procedures. Such prior offset shall be promptly followed by the completion of those procedures. Amounts recovered by offset but later found not to be owed to the Commission shall be promptly refunded.

## PART 506—CIVIL MONETARY PENALTY INFLATION ADJUSTMENT

Sec.

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AUTHORITY: 28 U.S.C. 2461.

SOURCE: 61 FR 52705, Oct. 8, 1996, unless otherwise noted.

### § 506.1 Scope and purpose.

The purpose of this Part is to establish a mechanism for the regular adjustment for inflation of civil monetary penalties and to adjust such penalties in conformity with the Federal Civil Penalties Inflation Adjustment Act of 1990 (28 U.S.C. 2461 note), as amended by the Debt Collection Improvement Act of 1996, Public Law 104-134, April 26, 1996, in order to maintain the deterrent effect of civil monetary penalties and to promote compliance with the law.

[61 FR 52705, Oct. 8, 1996, as amended at 74 FR 50718, Oct. 1, 2009]

### § 506.2 Definitions.

(a) *Commission* means the Federal Maritime Commission.

(b) *Civil Monetary Penalty* means any penalty, fine, or other sanction that:

(1)(i) Is for a specific monetary amount as provided by Federal law; or  
(ii) Has a maximum amount provided by Federal law;

(2) Is assessed or enforced by the Commission pursuant to Federal law; and

(3) Is assessed or enforced pursuant to an administrative proceeding or a civil action in the Federal Courts.

(c) *Consumer Price Index* means the Consumer Price Index for all urban consumers published by the Department of Labor.

### § 506.3 Civil monetary penalty inflation adjustment.

The Commission shall, not later than October 23, 1996, and at least once every 4 years thereafter—

(a) By regulation adjust each civil monetary penalty provided by law within the jurisdiction of the Commission by the inflation adjustment described in § 506.4; and

(b) Publish each such regulation in the FEDERAL REGISTER.

### § 506.4 Cost of living adjustments of civil monetary penalties.

(a) The inflation adjustment under § 506.3 shall be determined by increasing the maximum civil monetary penalty for each civil monetary penalty by the cost-of-living adjustment. Any increase determined under this subsection shall be rounded to the nearest:

(1) Multiple of \$10 in the case of penalties less than or equal to \$100;

(2) Multiple of \$100 in the case of penalties greater than \$100 but less than or equal to \$1,000;

(3) Multiple of \$1,000 in the case of penalties greater than \$1,000 but less than or equal to \$10,000;

(4) Multiple of \$5,000 in the case of penalties greater than \$10,000 but less than or equal to \$100,000;

(5) Multiple of \$10,000 in the case of penalties greater than \$100,000 but less than or equal to \$200,000; and

(6) Multiple of \$25,000 in the case of penalties greater than \$200,000.

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(b) For purposes of paragraph (a) of this section, the term ‘cost-of-living adjustment’ means the percentage (if any) for each civil monetary penalty by which the Consumer Price Index for the month of June of the calendar year preceding the adjustment, exceeds the Consumer Price Index for the month of June of the calendar year in which the amount of such civil monetary penalty

was last set or adjusted pursuant to law.

(c) *Limitation on initial adjustment.* The first adjustment of civil monetary penalty pursuant to § 506.3 may not exceed 10 percent of such penalty.

(d) *Inflation adjustment.* Maximum Civil Monetary Penalties within the jurisdiction of the Federal Maritime Commission are adjusted for inflation as follows:

United States Code citation	Civil Monetary Penalty description	Current maximum penalty amount	New adjusted maximum penalty amount
46 U.S.C. 42304 .....	Adverse impact on U.S. carriers by foreign shipping practices .....	1,500,000	1,600,000
46 U.S.C. 41107(a) .....	Knowing and Willful violation/Shipping Act of 1984, or Commission regulation or order.	40,000	45,000
46 U.S.C. 41107(b) .....	Violation of Shipping Act of 1984, Commission regulation or order, not knowing and willful.	8,000	9,000
46 U.S.C. 41108(b) .....	Operating in foreign commerce after tariff suspension .....	75,000	80,000
46 U.S.C. 42104 .....	Failure to provide required reports, etc./Merchant Marine Act of 1920	8,000	\$9,000
46 U.S.C. 42106 .....	Adverse shipping conditions/Merchant Marine Act of 1920 .....	1,500,000	1,600,000
46 U.S.C. 42108 .....	Operating after tariff or service contract suspension/Merchant Marine Act of 1920.	75,000	80,000
46 U.S.C. 44102 .....	Failure to establish financial responsibility for non-performance of transportation.	8,000	9,000
46 U.S.C. 44103 .....	Failure to establish financial responsibility for death or injury .....	300	<sup>3</sup> 300
31 U.S.C. 3802(a)(1) .....	Program Fraud Civil Remedies Act/makes false claim .....	8,000	9,000
31 U.S.C. 3802(a)(2) .....	Program Fraud Civil Remedies Act/giving false statement .....	8,000	9,000

[61 FR 52705, Oct. 8, 1996, as amended at 64 FR 23550, May 3, 1999; 65 FR 49741, Aug. 15, 2000; 74 FR 38115, July 31, 2009; 76 FR 74720, Dec. 1, 2011; 79 FR 37663, July 2, 2014]

**§ 506.5 Application of increase to violations.**

Any increase in a civil monetary penalty under this part shall apply only to violations which occur after the date the increase takes effect.

**PART 507—ENFORCEMENT OF NONDISCRIMINATION ON THE BASIS OF HANDICAP IN PROGRAMS OR ACTIVITIES CONDUCTED BY THE FEDERAL MARITIME COMMISSION**

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AUTHORITY: 29 U.S.C. 794.

SOURCE: 51 FR 22895, 22896, June 23, 1986, unless otherwise noted.

**§ 507.101 Purpose.**

This part effectuates section 119 of the Rehabilitation, Comprehensive

<sup>3</sup>Application of the statutory rounding resulted in no increase to these penalties.

<sup>4</sup>Application of the statutory rounding resulted in no increase to these penalties.